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UNCLAS SECTION 01 OF 03 PARIS 003727

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E.O. 12958: N/A TAGS: OPRC KMDR FR SUBJECT: MEDIA REACTION REPORT - EU REFERENDUM - FRANCE VOTES `NO' PARIS - TUESDAY, MAY 31, 2005

- (A) SUBJECTS COVERED IN TODAY'S REPORT:
- EU REFERENDUM FRANCE VOTES `NO'
- B) SUMMARY OF COVERAGE:

FRANCE'S OVERWHELMING `NO' VOTE TO THE EU REFERENDUM PROVOKES AN OVERWHELMING NUMBER OF COMMENTARIES IN MONDAY AND TUESDAY'S PRESS, OVERSHADOWING OTHER STORIES. THE THEMES DEVELOPED IN TODAY'S HEADLINES AND COMMENTARIES CAN BE CLASSIFIED INTO THREE CATEGORIES: THE POLITICAL CLASS IS IN SHOCK; PRESIDENT CHIRAC IS SANCTIONED; HOW TO ANSWER THE FRENCH PEOPLE'S CRY FOR HELP, NAMELY REGARDING UNEMPLOYMENT AND DWINDLING BUYING POWER. THIS LAST QUESTION IS CLOSELY LINKED TO TODAY'S NUMBER ONE QUESTION: WHO WILL PRESIDENT CHIRAC CHOOSE AS HIS NEXT PRIME MINISTER? SEVERAL NAMES ARE BEING CIRCULATED: INTERIOR MINISTER DE VILLEPIN, UMP PRESIDENT SARKOZY AND DEFENSE MINISTER ALLIOT-MARIE. PRIME MINISTER RAFFARIN RESIGNED THIS MORNING, AND PRESIDENT CHIRAC IS SCHEDULED TO ADDRESS THE NATION THIS EVENING AFTER THE NEW CABINET OF MINISTERS IS REVEALED. (SEE PART C)

HERE BELOW A SAMPLE OF TODAY'S HEADLINES ILLUSTRATING FRANCE'S POLITICAL CRISIS.

"CHIRAC'S CHOICE FOR PRIME MINISTER: HIS LAST TRUMP CARD" (LA

"WHO FOR MATIGNON?" (FRANCE SOIR)

- "CHIRAC TO CHOOSE THIS MORNING" LE PARISIEN
- "THE REASONS BEHIND THE `NO'" (LIBERATION)

- (LES ECHOS)
- "CHIRAC DISAVOWED, EUROPE DESTABILIZED" (LE MONDE)
 "CHIRAC SEARCHING FOR THE ANSWER" (LE FIGARO)
 "WOUNDED, CHIRAC LOOKING FOR THE RIGHT ANSWER" (LES ECHOS
 "STUNNED, EUROPE WANTS TO DEAL WITH THE SHOCK" (LA CROIX)
- "AFTER THE SHOCK OF THE `NO', HOW TO HANG ON" (WEEKLY L'EXPRESS)
- "STATE OF SHOCK: REJECTION OF POLITICAL AUTHORITY; ELITES DISAVOWED; EUROPE SANCTIONED" (WEEKLY LE NOUVEL OBSERVATEUR)

SEVERAL STORIES REPORT ON INTERNATIONAL REACTIONS TO FRANCE'S VOTE, MAINLY THROUGH QUOTES FROM THE FOREIGN PRESS. IN POPULAR RIGHT-OF-CENTER LE PARISIEN, THOMAS CATALOUBE TITLES HIS REPORT: "AMERICA'S IRONIC RESPONSE." "IN THE U.S. THE FRENCH VOTE WAS RECEIVED WITH A SHRUG OF INCOMPREHENSION. THE FACT IS THAT AMERICANS HAVE NEVER REALLY UNDERSTOOD THE DIFFICULTIES LYING BEHIND EUROPE'S CONSTRUCTION. FOR THEM EUROPE IS ALREADY A REALITY. THE AMERICANS ALSO CANNOT UNDERSTAND THE FRENCH REJECTION OF LIBERALISM, FOR THE SIMPLE REASON THAT FOR THEM THERE IS NO OTHER VIABLE SYSTEM. MOST U.S. COMMENTATORS NOTED WITH SARCASM THE HUMILIATION SUFFERED BY CHIRAC, WHO IS STILL NOT VERY MUCH APPRECIATED IN THE U.S.

IN ECONOMIC NEWS THE U.S. DECISION TO REFER THE AIRBUS SUBSIDY ISSUE TO THE WTO IS REPORTED. IN LE FIGARO ECONOMIE A SMALL ITEM COMMENTS: "THE PROPOSAL BY AIRBUS IS MORE DETAILED BUT REMAINS THE SAME AS THE ONE ALREADY REJECTED BY THE U.S. CHINA'S STANCE ON TEXTILE EXPORTS IS REPORTED AS BECOMING HARSHER, IN SPITE OF PREVIOUS SIGNS TO THE CONTRARY. ON FRANCE HARSHER, IN SPITE OF PREVIOUS SIGNS TO THE CONTRARY. ON FRANCI 2 TELEVISION THIS MORNING AS WELL AS IN FRANCE SOIR AND LE PARISIEN, CHINA'S "REVERSAL" IS LINKED TO FRANCE'S REJECTION OF THE EU CONSTITUTION. "WITH EUROPE'S DIVISIONS, CHINA CHOOSES TO TAKE A HARSHER STANCE," COMMENTS FRANCE SOIR, WHICH ADDS NEVERTHELESS THAT "EUROPE IS NOT THE ONLY ONE TARGETED. THE U.S. IS ALSO AFFECTED." FOR LE PARISIEN, "CHINA'S NEW POSITION IS NOT GOING TO HELP FRANCE, WHICH HAS BEEN NEGOTIATING FOR SAFEGUARDS FROM BRUSSELS. CHINA'S NEW HARSHER POLICY COMBINED WITH THE VICTORY OF THE 'NO' VOTE ON THE EU CONSTITUTION WILL WEAKEN FRANCE'S POSITION." THE DECISION TO LOCATE ITER IN FRANCE IS ALSO DISCUSSED IN CONNECTION TO THE VOTE ON THE REFERENDUM. FOR RIGHT-OF-CENTER LE FIGARO "FRANCE CONTINUES TO BE AN INTEGRAL PART OF THE EU AND THE `NO' VOTE WILL NOT IMPACT ON THE DECISION.

(C) SUPPORTING TEXT/BLOCK QUOTES:

EU REFERENDUM - FRANCE VOTES `NO

"THE IMPASSE"

LEFT-OF-CENTER LE MONDE IN ITS EDITORIAL (05/31): "FRANCE'S NO' IS NO ACCIDENT. THROUGH A REJECTION OF THE TREATY A MAJORITY OF THE FRENCH IS SAYING IT DOES NOT WANT OR NO LONGER WANTS EUROPE. SO MUCH SO THAT IT TOOK THE RISK OF WEAKENING FRANCE'S POSITION. THIS VOTE WAS ORGANIZED BY A MAN WHO MAY GO DOWN IN HISTORY AS A SORT OF DR. STRANGELOVE OF POLITICS, WHO USED OR MISUSED AGAINST HIS OWN INTERESTS THE DISSOLUTION OF THE NATIONAL ASSEMBLY AND THE REFERENDUM. EUROPE IS A FRAGILE CONSTRUCTION WHICH, WE MAY SOON LEARN, IS ALSO REVERSIBLE. BUT THE VICTORY OF THE `NO' IS THE VICTORY OF A PROTEST VOTE, WITH AT ITS CENTER THE INSUFFERABLE UNEMPLOYMENT RATE. WHICH OTHER COUNTRIES SUCH AS THE UK AND SCANDINAVIAN COUNTRIES HAVE BEEN ABLE TO BRING DOWN. THE LEFT COULD WELL BE PARALYZED BY ITS OWN INTERNAL DIVISIONS. THE RIGHT IS STRENGTHENED BY THE FACT THAT 80 PERCENT OF ITS ELECTORATE VOTED 'YES.' CHIRAC HAS NOT PUT HIS MANDATE IN THE BALLOT. THE NATIONAL ASSEMBLY MAJORITY IS NOT THREATENED. IT IS THEREFORE UNREALISTIC TO CALL FOR HIS RESIGNATION. BUT THE QUESTION REMAINS: WHAT IS THE POLITICAL ANSWER TO THE `NO' EXPRESSED BY A MAJORITY OF THE FRENCH? HOWEVER ONE WANTS TO INTERPRET THIS WAVE OF PROTEST, IT MEANS THAT THE FRENCH SYSTEM, WHETHER EXCEPTION OR MODEL, JUST DOES NOT WORK."

"THE ROOTS OF THE `NO'"

ALEXIS BEZET IN RIGHT-OF-CENTER LE FIGARO (05/31): "THE EASY ALEXIS BEZET IN RIGHT-OF-CENTER LE FIGARO (05/31): THE EASY ANSWER WOULD BE FOR CHIRAC TO REACT TO THOSE WHO SUGGEST THE SOCIALISTS' CALL FOR A 'NO' VOTE WAS RESPONSIBLE FOR THE VICTORY OF THE 'NO' AND TO SHIFT HIS POLICY TOWARDS LESS LIBERALISM AND A MORE SOCIAL MODEL. BUT THIS WOULD MEAN IGNORING THE MANY REASONS BEHIND THE 'NO' VOTE, INCLUDING FEAR OF TOO MUCH LIBERALISM AND OF TURKEY. THE MORE SIGNIFICANT CLUE IS THAT BEHIND EVERY VOTER WHO VOTED 'NO' LIES HIS OF UNEMPLOYMENT. IF THIS PROVES TO BE 'THE' REASON, THE LIES HIS FEAR SOLUTION WILL BE UP TO THE NEXT PRIME MINISTER. OUR COUNTRY IS IN A CRISIS AND THE `NO' VOTE WILL GIVE WINGS TO MOST UNIONS. RAFFARIN'S SUCCESSOR WILL HAVE TO FIND A MIDDLE ROAD BETWEEN FACILITATING LIBERAL INITIATIVES AND SOLIDARITY. IMPOSSIBLE? MAYBE, BUT NECESSARY.'

"LOST ILLUSIONS"

SERGE JULY IN LEFT-OF-CENTER LIBERATION (05/31): "FRANCE SUFFERS FROM RECORD UNEMPLOYMENT AND RECORD TAXES. THE TRUTH IS THAT FRANCE'S POLITICAL CLASS IS STUMPED AND THAT GOVERNMENTS COME AND GO. THE POLITICIANS' ABILITY IS IN QUESTION. AND MEDIOCRITY HAS SURFACED. FOR OVER TWENTY YEARS, IF NOT THIRTY, THE EASY WAY OUT HAS BEEN TO MAINTAIN THE STATUS QUO, TO STRENGTHEN LOBBIES AND UNIONS AND TO OPERATE ONLY MARGINAL CHANGES, WHICH ARE IMPOSED RATHER THAN DECIDED. THE `NO' VOTE LOOKS LIKE A PROTECTIVE REACTION AGAINST SOCIAL, URBAN AND GLOBAL INSECURITY. BUT THOSE WHO VOTED `NO' HAVE JUST DISARMED US. AND THOSE WHO THINK EUROPE WILL GIVE US ANOTHER CHANCE WILL BE HARSHLY DISILLUSIONED.

"THE WEAK LINK'

BRUNOT FRAPPAT IN CATHOLIC LA CROIX (05/31): "OF ALL THE REASONS RAISED TO EXPLAIN THE VICTORY OF THE `NO' NONE CAN EXPLAIN ITS MAGNITUDE, EXCEPT UNEMPLOYMENT AND THE LEITMOTIF OF: `IT'S EUROPE'S FAULT.' THERE ARE A MILLION REASONS BEHIND THE `NO' VOTE AND NO SINGLE POLITICAL PARTY CAN CLAIM RESPONSIBILITY FOR ITS VICTORY. TODAY, IS EUROPE BETTER OFF THAN FRANCE? THE WEAK LINK UNAVOIDABLY WEAKENS THE ENTIRE CHAIN. THE SCAFFOLD OF EUROPE'S CONSTRUCTION HAS FALLEN. WE MUST PICK IT UP AND GIVE BACK TO EUROPE ITS ORIGINAL GRANDEUR. OTHERWISE, WHY BUILD IT?"

"THE PRICE OF THE `NO'

ALEXIS BEZET IN RIGHT-OF-CENTER LE FIGARO (05/31): "CHIRAC HAS LOST HIS WAGER. HIS AUTHORITY OVER HIS OWN PARTY WILL BE DIMINISHED. A THIRD TERM FOR CHIRAC IS HIGHLY IMPROBABLE. WHO WILL BE THE NEXT PRIME MINISTER? ALREADY INSIDE POLITICAL BATTLES ARE EMERGING. THE PARADOX WOULD BE IF, AFTER THIS VOTE WHICH THE GOVERNING MAJORITY HAS INDEED LOST, BUT WHICH HAS RE-ENFORCED ITS UNITY IN FACE OF THE SOCIALIST PARTY'S DIVISIONS, PARTISAN QUARRELS WERE TO LEAD TO THE LOSS OF THIS ADVANTAGE. IT WOULD MEAN PAYING TWICE FOR THE LOSS TO THE 'NO'." WOLFF